



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

March 6, 2000

Jeffrey Sagers
Terra Resources
2016 South Montana Avenue
Provo, Utah 84606

Re: Acceptance of Notice of Intention to Commence Small Mining Operations, Terra Resources, Dove Creek Pass Project, S/003/052, Box Elder County, Utah

Dear Mr. Sagers:

Thank you for your Notice of Intention to Commence Small Mining Operations and initial permit application fee, received by the Division on February 16, 2000. The application for the proposed Dove Creek Pass Project, located in Sections 21, 22 and 27, T13N, R16W, SLBM, Box Elder County, Utah is complete and no additional information is required by the Division at this time.

For your reference, I have enclosed copies of our summarized rules regarding "Operation and Reclamation Practices," and the statutory penalty for failure to reclaim a minesite (SMO-1). Please give special consideration to item #10 of the "Operation and Reclamation Practices. Stockpiling topsoil material prior to beginning your mining operation will help ensure successful revegetation efforts upon final reclamation of the minesite. If the area being mined is a solid rock outcrop, or if the land surface is very rocky, then soil stockpiling is probably not possible. However, even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory release from reclamation requirements.

Should you wish to expand your operation beyond the five (5) acre limitation, please notify this office as soon as possible to discuss the necessary permitting requirements. Approval of a large mining notice could take from six to twelve months or longer.

Approval of mineral exploration or mining operations by the Division of Oil, Gas and Mining does not constitute approval to commence operations upon lands under state mineral leases/school sections administered by the School and Institutional Trust Lands Administration, or federal lands managed by the Bureau of Land Management (BLM) or United States Forest Service (USFS). Before conducting mining operations on these lands, the operator must provide

Page 2
Jeff Sagers
S/003/052
March 6, 2000

written notification, meet bonding requirements, and obtain written approval from the appropriate agency. School and Institutional Trust Lands Administration can be reached at: 675 East 500 South, Salt Lake City, Utah 84102; phone number (801) 538-5100. You will need to contact the appropriate BLM Resource Area or USFS Ranger District for their requirements.

Thank you for your cooperation. When in the area, a member of the Division staff will examine the site. Best wishes with your mining operation.

Sincerely,

A handwritten signature in black ink, appearing to read 'L. Kunzler', written in a cursive style.

Lynn Kunzler
Senior Reclamation Specialist

jb
Enclosure
cc: Mike Ford, BLM (U-77041)
John Blake, SITLA
S03-52-apv